

EXHIBIT 27

EXHIBIT FILED UNDER SEAL



From: "Alexander Asseily" <aa@state.com>
To: "Riaz Valani" <rvalani@gacapital.com>
"Hoyoung Huh" [REDACTED]
"Nicholas J. Pritzker" <njpritzker@taocap.com>
"Zach Frankel" [REDACTED]
"Hank Handelsman" <hhandelsman@pritzkerorg.com>
"Jeffrey R. Patt" <jeffrey.patt@kattenlaw.com>

Date: 10/5/2015 2:12:08 AM

Subject: Oct 5 PAX BOARD NOTES (ATTORNEY-CLIENT PRIVILEGED AND CONFIDENTIAL)

interpretation of discussion tonight....

Sequence

- Communicate broad changes to James and Adam
- Communicate specific changes to James/Adam separately, seek feedback
- Meet with key members of senior VPs to share new management changes, new responsibilities
- Re-iterate strategic goals of the company
- Run organisational review across the whole company, 360s.
- RIF as needed
- Commence CEO search + any other key hires
- Completion and reiterate key elements to company.

Management adjustments:

- Hoyoung - lead director with executive authority
- James - President Product & Technology - reporting to Hoyoung
- Adam - Chief Scientist - reporting to Hoyoung
- Tim - finance and operations - reporting to Hoyoung
- Mumby - sales and marketing - reporting to Hoyoung
- Scott D - part ways immediately
- Danna - operations - reporting to ?

Items to the sorted:

- interim executive structure / protocol agreed and communicated to senior management and directors.
- sorting out sales ramp on Pax and Juul, sales expenses
- marketing spend and ROI
- review of human resources, 360 reviews, etc prior to RIF
- process / timing for RIF and related impact on OPEX (including SD)
- scope and requirements for CEO search
- IP strategy and action plan

- output an updated business plan and conservative financial plan with clear view on monthly cash burn (if any) and key strategic growth milestones